



DCN: 3756



BRAC SRG #19

16 November 2004

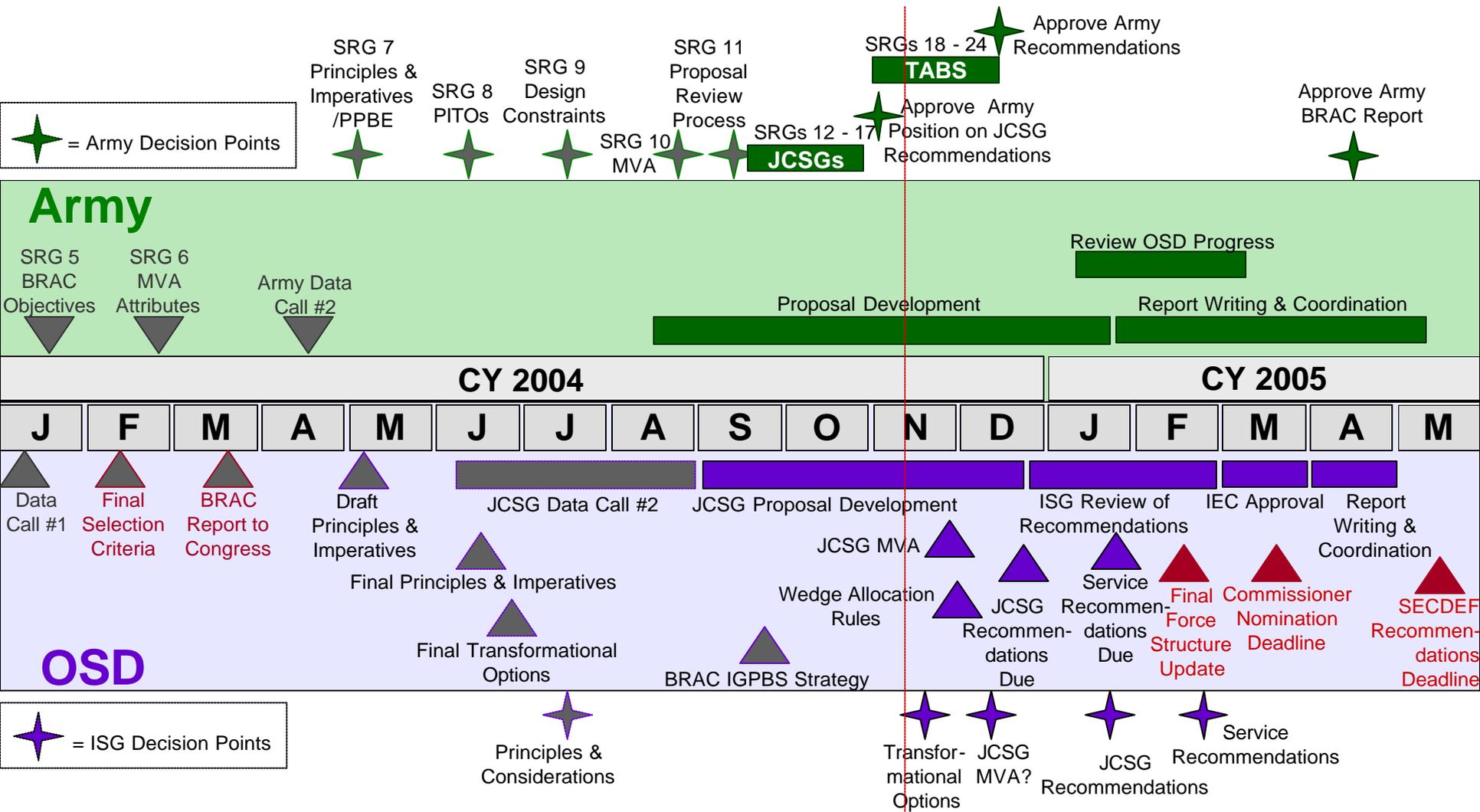


Purpose & Agenda

- Present for information:
 - Timeline Update
 - BRAC Commission
 - Tracking Actual Costs and Savings
- Present for initial approval:
 - TABS Materiel and Logistics Proposals
- Recommendations
- Way Ahead



BRAC Timeline



Transforming Through Base Realignment and Closure



BRAC SRG Schedule



TBD Nov	TABS Institutional Army Proposals
23 Nov	TABS Operational Army Proposals
30 Nov	Integration of TABS Proposals
7 Dec	Integration of TABS Proposals
14 Dec	Final Approval of Scenarios
4 Jan	Integration of Army Candidate Recommendations with JCSG Efforts
11 Jan	Integration of Army Candidate Recommendations with JCSG Efforts
18 Jan	Integration of Army Candidate Recommendations with JCSG Efforts



BRAC Presidential Commission



- The Defense Base Closure and Realignment Commission consists of nine members appointed by the President, NLT 15 Mar 2005, with the advice and consent of the Senate
- The Commission conducts open hearings on recommendations, and issues its report and recommendations by 8 Sept 2005
- Commission members should be familiar with Army and Joint operations and procedures, in order to best evaluate recommendations
- The Army would benefit from assisting OSD in identifying candidate Commission members now, to ensure members are Congressionally approved by the March deadline
 - Identify/contact retired 4-Star GOs and review resumes
 - Seek guidance from A/SA and identify other candidates
 - Provide input to SECDEF NLT 19 Nov



Tracking Actual Costs and Savings



BRAC 2005 Implementation Costs & Savings Analysis



Issue:

How will the Army capture and track actual costs and savings associated with the BRAC 2005 to ensure that the reported net savings are achieved?

Background:

- The Army has historically used COBRA results and Implementation Plans for developing cost and savings estimates¹
- GAO Audit Reports have determined that cost estimates did not include all BRAC costs and that savings estimates were not routinely updated²
- OSD plans to develop a DoD system in Summer 2005 to capture costs/savings data

1. GAO/NSAID 96-67, April 1996

2. GAO-01-971, July 2001



BRAC 2005 Implementation Costs & Savings Estimates



Costs	Savings
Military Construction	Military Construction
Family Housing	Family Housing
O&M	O&M
Military Personnel	Military Personnel
Civilian Personnel	Civilian Personnel
Environmental	Estimated Land Revenues
Reserve Enclave O&M*	
Payments to Local Communities (i.e. DoD grants)*	

*Not previously captured in Army estimates, per GAO



BRAC 2005 Implementation Costs & Savings Way Ahead



- ACSIM commitment to update guidance prior to BRAC 2005 implementation*
- Actions for capturing actual costs & savings:
 - Develop and issue guidance for estimating costs and savings, including assigning responsibility and accountability to appropriate office for tracking actual costs and savings
 - Incorporate Management Controls to ensure retention of documentation required for determination of actual savings
 - Establish a system for tracking BRAC costs and savings
 - Use COBRA data as baseline for cost and savings calculations
 - Validate Implementation Plan cost and saving submissions against COBRA data, and prepare periodic reports of actual costs and savings

*Response to Recommendation A-1, AAA Report AA-97-225 (31 July 1997)



TABS Materiel and Logistics Proposals



Process

- JCSGs are responsible for common business functions. Army is responsible for everything else including garrison, operational forces, other tenants, etc.
- Army proposals coordinated with JCSGs
- Scenarios that follow are work in progress as we synchronize the Army and JCSG proposals
- Fully developed scenarios will reflect the integration of JCSG and Army BRAC responsibilities
 - This includes updates to COBRA runs



Decisions

- Approved for additional analysis
- Disapproved: TABS concludes an analytical effort or Army seeks to have JCSG drop



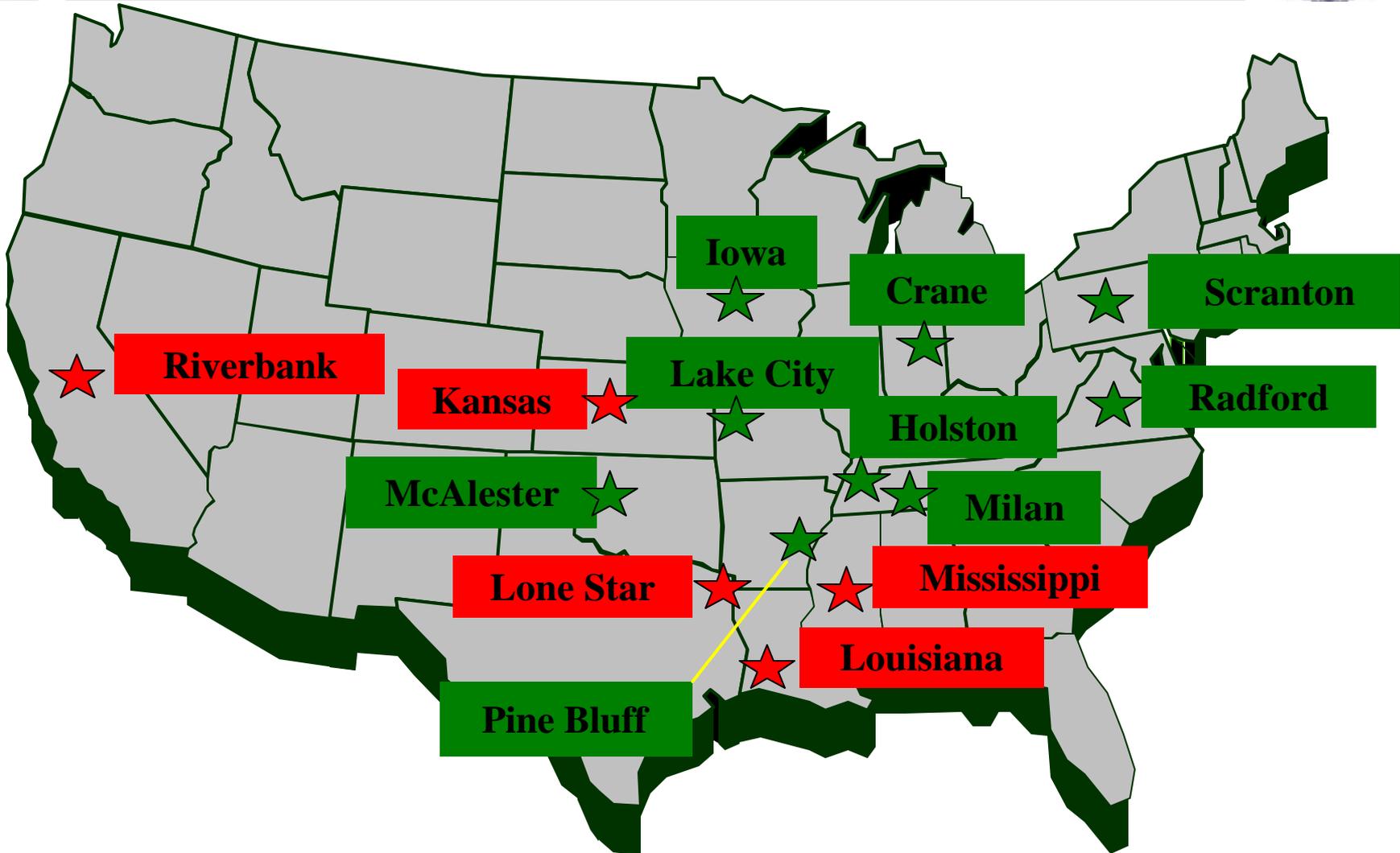
Today

- Focus on Materiel & Logistics with assistance from Industrial JCSG and Supply and Storage JCSG
- Industrial base – efficiencies through transformation
 - Close 5 Army Ammunition Plants and 4 Chemical Demilitarization Sites – all outside MV portfolio
 - Close 1 Munitions Center; 4 others pending
 - Prepare for decisions concerning 3 Army Manufacturing Centers
 - Close 1 Army Depot; 2 others pending
 - Close 1 or 2 Acquisitions, Logistics and Technology sites pending JCSG actions

Bottom Line: One-Time Cost: \$1.7B, NPV: -\$5.4B, Steady State Savings: -\$0.63B, including potential closure of 12 of 37 installations not in MV portfolio (13 of 37 with RC closures)



Army Ammunition Plants



Transforming Through Base Realignment and Closure



Reasoning

- These plants are excess to need because the other 9 installations are more multifunctional (production, storage, demil, maintenance) and can absorb production capacity of these 5
- Economize the operations of remaining sites to support the 21st Century Warfighter
- Same or better capacity on a smaller footprint
- Utilization rates at these sites have been low
 - MSAAP and LAAAP have not produced anything in 10 years
 - Riverbank, Lone Star, and Kansas have low utilization rates
- The 5 Army Ammunition Plants are not in the Army Portfolio
 - **Kansas (73), Lone Star (74), Louisiana (68), Mississippi (71), and Riverbank (90)**
- Industrial JCSG is working 8 scenarios that will enable the Army to close these installations



Close Kansas, Lone Star, Louisiana, Mississippi, and Riverbank Army Ammunition Plants (GOCOs)



Scenario

- Close Kansas, Lone Star, Louisiana, Mississippi, and Riverbank Army Ammunition Plants. Army disestablishes garrison and realigns or disestablishes non-JCSG functions. Industrial JCSG disestablishes or realigns its assigned functions
- Industrial JCSG scenarios IN0039, IN0041-IN0046 and IN0051 enable the closure of these installations
- MVI: Kansas (73), Lone Star (74), Louisiana (68), Mississippi (71), Riverbank (90)

Drivers/Assumptions

- Transformational Options:
 - Implement concept of Vertical Integration by putting entire life cycle at same site to increase synergies, e.g. production of raw materials to the manufacture of finished parts, co-locating storage, maintenance and demil.

Justification/Impact

- Retains required capabilities and capacities while reducing footprint
- Supports IJCSG's objective to preserve and optimize munitions production and metal parts capability while minimizing excess capacity
- TABS MVI/MVP supports the MACOM and JCSG
- Supports the State of Louisiana's goals for transfer
- Economizes the operations at the remaining sites
- Armament, Retooling and Manufacturing Support (ARMS) Tenants

Potential Conflicts

- None identified to date



Lone Star

COBRA

- | | |
|-------------------------------|-----------|
| 1. One Time Cost: | \$2.6M |
| 2. MILCON: | N/A |
| 3. NPV: | -\$247.0M |
| 4. Payback Yrs/Break Even Yr: | 1/2006 |
| 5. Steady State Savings: | -\$26.1M |
| 6. Mil/Civ Reductions: | 2/18 |
| 7. Mil/Civ Relocated: | 0/0 |

Environmental

- Positive impact to Air, Noise, Waste
- Restoration/cleanup:
 - DERA restoration sites - \$2.7M
 - 3 operational ranges – (est.) \$2-6M

Economic

- Direct/Indirect:
- Employment Base:

Community

- 15,694 acres of land available for re-use
- Can continue to support 7 ARMS tenants



Kansas

COBRA

- | | |
|-------------------------------|-----------|
| 1. One Time Cost: | \$2.5M |
| 2. MILCON: | N/A |
| 3. NPV: | -\$144.0M |
| 4. Payback Yrs/Break Even Yr: | 1/2006 |
| 5. Steady State Savings: | -\$16.7M |
| 6. Mil/Civ Reductions: | 0/8 |
| 7. Mil/Civ Relocated: | 0/0 |

Environmental

- Positive impact to Air, Noise, Waste
- Restoration/cleanup:
 - DERA restoration sites - \$33.2M
 - 5 operational ranges – (est.) \$4-14M

Economic

- Direct/Indirect:
- Employment Base:

Community

- 13,727 acres of land available for re-use
- Can continue to support 2 ARMS tenants



Louisiana

<p style="text-align: center;">COBRA</p> <ol style="list-style-type: none"> 1. One Time Cost: \$1.0M 2. MILCON: N/A 3. NPV: -\$165.0M 4. Payback Yrs/ Break Even Yr: 1 year/2006 5. Steady State Savings: -\$19.1M 6. Mil/Civ Reductions: 0/3 7. Mil/Civ Relocated: 3/0 	<p style="text-align: center;">Environmental</p> <ul style="list-style-type: none"> ▪ Positive impact to Air, Noise, Waste ▪ Restoration/cleanup: <ul style="list-style-type: none"> • DERA restoration sites - \$8.7M
<p style="text-align: center;">Economic</p> <ul style="list-style-type: none"> ▪ Direct/Indirect: ▪ Employment Base: 	<p style="text-align: center;">Community</p> <ul style="list-style-type: none"> ▪ Facilitates the transfer of the facility to the State of Louisiana ▪ Facilitates the continued support of 11 ARMS tenants



Mississippi

COBRA

- | | |
|-------------------------------|----------|
| 1. One Time Cost: | \$0.8M |
| 2. MILCON: | N/A |
| 3. NPV: | -\$71.9M |
| 4. Payback Yrs/Break Even Yr: | 1/2006 |
| 5. Steady State Savings: | -\$8.6M |
| 6. Mil/Civ Reductions: | 0/4 |
| 7. Mil/Civ Relocated: | 0/0 |

Environmental

- Positive impact to Air, Noise, Waste
- Restoration/cleanup:
 - DERA restoration sites - \$2.3M

Economic

- Direct/Indirect:
- Employment Base:

Community

- 4,214 acres of land available for re-use
- Returns permit to NASA
- Can continue to support 10 ARMS tenants



Riverbank

COBRA

- | | |
|-------------------------------|----------|
| 1. One Time Cost: | \$0.4M |
| 2. MILCON: | N/A |
| 3. NPV: | -\$92.7M |
| 4. Payback Yrs/Break Even Yr: | 1/2006 |
| 5. Steady State Savings: | -\$9.2M |
| 6. Mil/Civ Reductions: | 0/4 |
| 7. Mil/Civ Relocated: | 0/0 |

Environmental

- Positive impact to Air, Noise, Waste
- Restoration/cleanup:
 - DERA restoration sites - \$10.5M

Economic

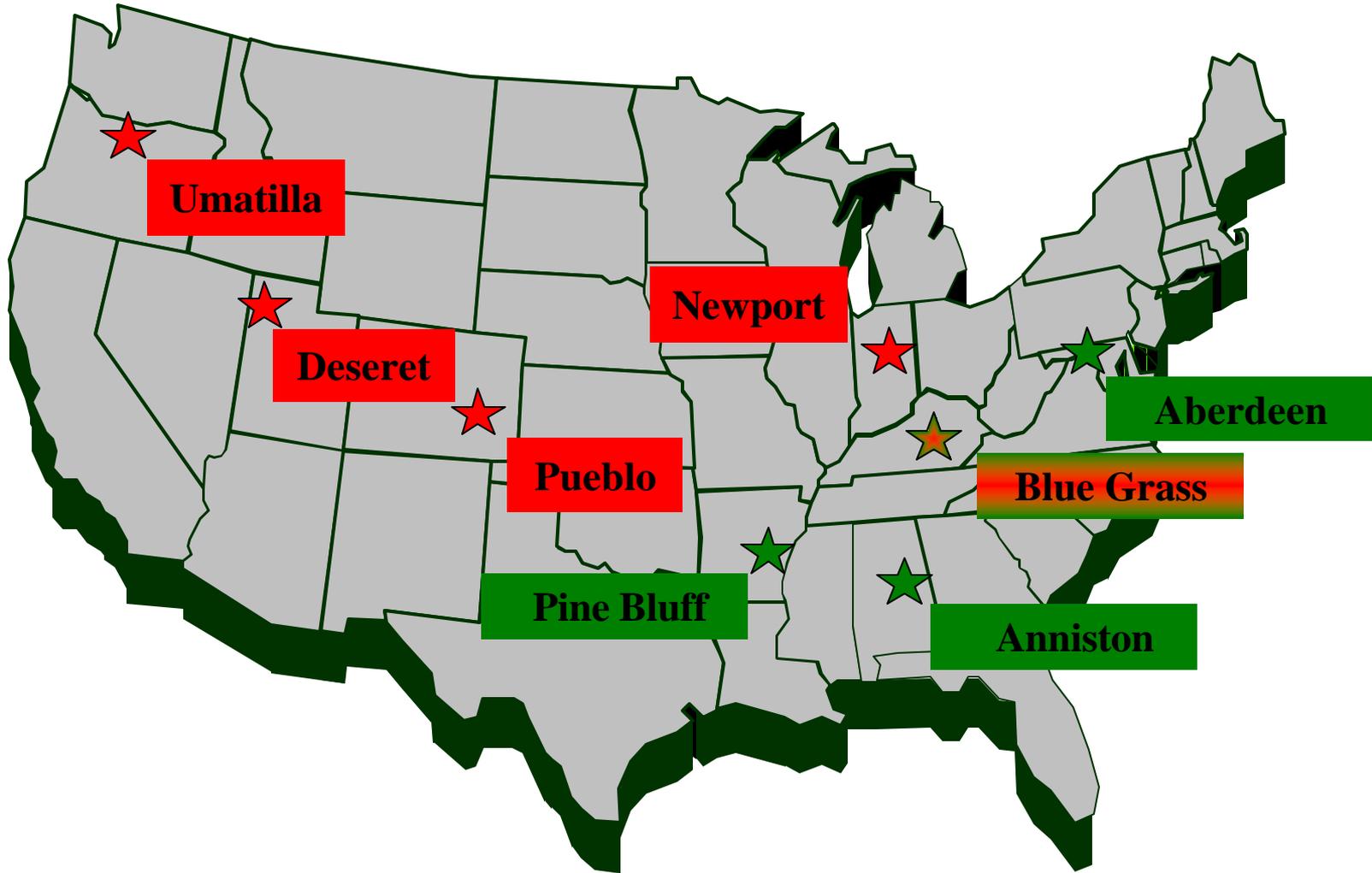
- Direct/Indirect:
- Employment Base:

Community

- 172 acres of land available for re-use
- Can continue to support 12 ARMS tenants



Chemical Demil





Reasoning

- Pueblo, Newport, Deseret, and Umatilla were retained specifically for the Chemical Demil mission
- Upon completion of Chemical Demil mission these installations have no follow-on mission
- Three of the four installations have buried chemical munitions (not Umatilla)
- BRAC facilitates the closure of these Installations
- Scheduled completion of Chemical Demil mission at Pueblo, Newport, Deseret, and Umatilla is fluid and may not be within the BRAC timeline
- The 4 Chemical Depots are not in the Army Portfolio
 - MVI: Deseret (45), Pueblo (55), Newport (65), Umatilla (86)
- Industrial JCSG is working scenarios that will enable the Army to close these installations
- Chem Demil and other missions at Blue Grass Army Depot are under review making it vulnerable to closure as well



Close Deseret, Pueblo, Newport, and Umatilla Chemical Depots



Scenario

- Close Chemical Sites: Deseret, Pueblo, Newport, and Umatilla. Army disestablishes garrison and realigns or disestablishes non JCSG functions. Industrial JCSG disestablishes or realigns its assigned functions. All actions to occur upon completion of Chem Demil mission
- Industrial JCSG scenario IN0047 enables the closure of these Installations
- MVI: Deseret (45), Pueblo (55), Newport (65) Umatilla (86)

Drivers/Assumptions

- Army BRAC Objective:
 - Retain DOD Installations with the most flexible capability to accept new mission
- Assumptions:
 - Commission will accept a recommendation contingent upon mission completion

Justification/Impact

- Complies with strategy to eliminate chemical weapons in accordance with the Chemical Weapons Convention Treaty
- Advances restoration as part of BRAC

Potential Conflicts

- Treaty compliance may be outside of BRAC timeline
- Requires contingent recommendation within SECDEF BRAC list



Umatilla Chemical Depot

COBRA

- | | |
|-------------------------------|-----------|
| 1. One Time Cost: | \$15.6M |
| 2. MILCON: | N/A |
| 3. NPV: | -\$695.3M |
| 4. Payback Yrs/Break Even Yr: | 6 /2011 |
| 5. Steady State Savings: | -\$61.0M |
| 6. Mil/Civ Reductions: | 127/385 |
| 7. Mil/Civ Relocated: | 0/0 |

Environmental

- Positive impact to Air, Noise, Waste
- Restoration/cleanup:
 - DERA restoration sites - \$8.9M
 - Munitions Response Prog - \$1.3M
 - Remediate chemical weapons residual contamination - Cost TBD

Economic

- Direct/Indirect:
- Employment Base:

Community

- 19,728 acres of land available for re-use



Pueblo Chemical Depot



COBRA

- | | |
|-------------------------------|-----------|
| 1. One Time Cost: | \$17.6M |
| 2. MILCON: | N/A |
| 3. NPV: | -\$754.2M |
| 4. Payback Yrs/Break Even Yr: | 5/2010 |
| 5. Steady State Savings: | -\$65.5M |
| 6. Mil/Civ Reductions: | 167/237 |
| 7. Mil/Civ Relocated: | 0/7 |

Environmental

- Positive impact to Air, Noise, Waste
- Restoration/cleanup:
 - DERA restoration sites - \$49.9M
 - Munitions Response Prog - \$8.2M
 - Oper Detonation range –(est) \$2.5M-\$2.6M
 - Remediate chemical weapons residual contamination – including buried mustard munitions - Cost TBD (High)

Economic

- Direct/Indirect:
- Employment Base:

Community

- 23,000 acres of land available for re-use



Newport Chemical Depot



COBRA

- | | |
|-------------------------------|-----------|
| 1. One Time Cost: | \$5.2M |
| 2. MILCON: | N/A |
| 3. NPV: | -\$398.3M |
| 4. Payback Yrs/Break Even Yr: | 3/2008 |
| 5. Steady State Savings: | -\$31.6M |
| 6. Mil/Civ Reductions: | 205/8 |
| 7. Mil/Civ Relocated: | 5/73 |

Environmental

- Positive impact to Air, Noise, Waste
- Restoration/cleanup:
 - DERA restoration sites - \$1.2M
 - Remediate chemical weapons residual contamination – including buried VX munitions - Cost TBD (High)

Economic

- Direct/Indirect:
- Employment Base:

Community

- 3,079 acres of land available for re-use
- Community already leases 4,000 acres



Deseret Chemical Depot

COBRA

- | | |
|-------------------------------|-----------|
| 1. One Time Cost: | \$5.0M |
| 2. MILCON: | N/A |
| 3. NPV: | -\$384.2M |
| 4. Payback Yrs/Break Even Yr: | 3/2008 |
| 5. Steady State Savings: | -\$30.1M |
| 6. Mil/Civ Reductions: | 186/59 |
| 7. Mil/Civ Relocated: | 0/3 |

Environmental

- Positive impact to Air, Noise, Waste
- Restoration/cleanup:
 - DERA restoration sites - \$7.25M
 - Munitions Response Prog - \$59.6M
 - OB/OD Range – (est) \$1M-5M
 - Remediate chemical weapons residual contamination – including buried mustard munitions - Cost TBD (High)

Economic

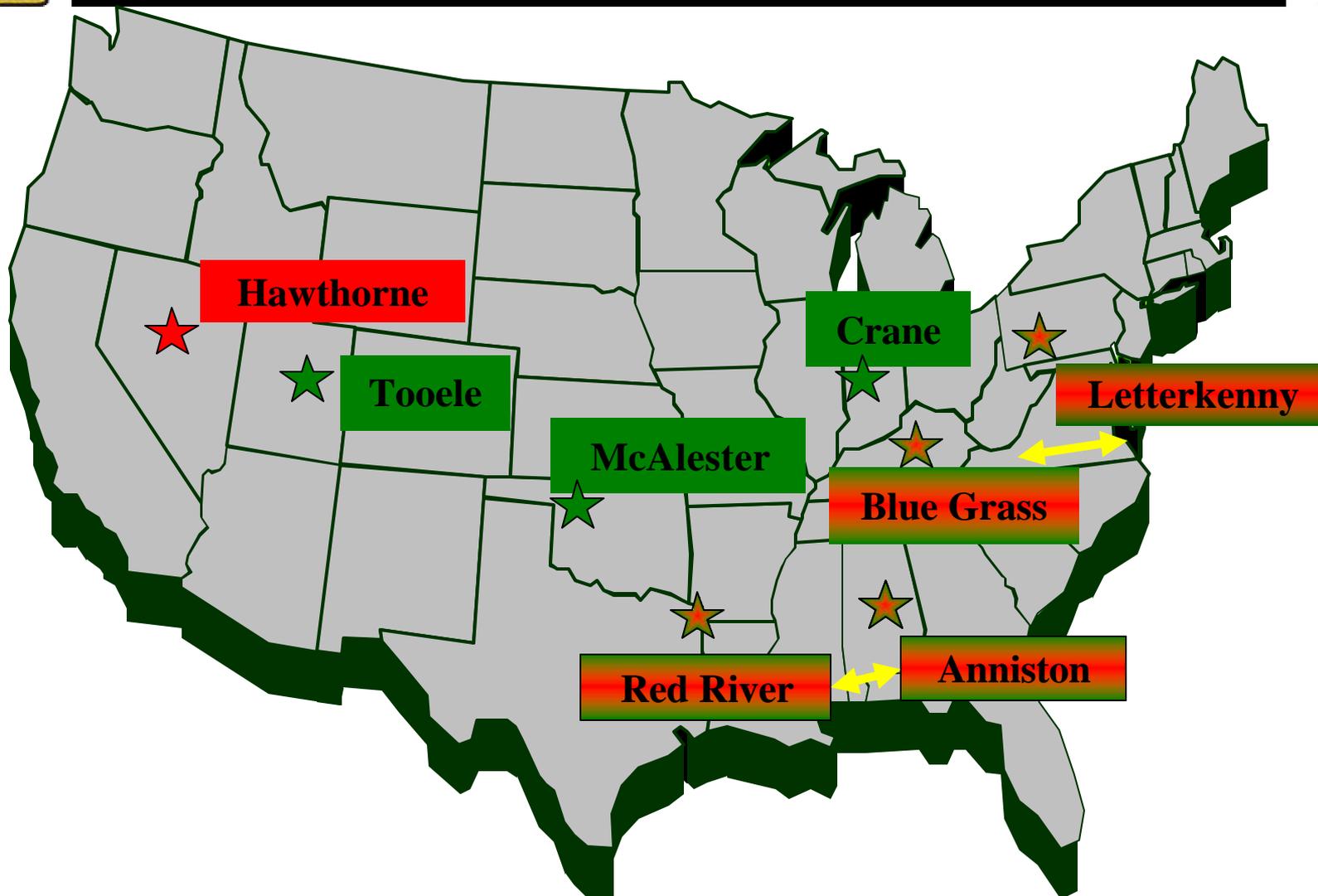
- Direct/Indirect:
- Employment Base:

Community

- Provides the community 19,364 acres of land for potential reuse



Munitions Centers (Storage and Distribution)





Reasoning

- Army has excess capacity for munitions storage
 - Current utilization at wholesale sites is 66%
- Implements Army strategy under the Centralized Ammunition Management (CAM) to regionalize munitions storage and distribution at 4 or 5 nodes to support the Joint Warfighter
- Eliminates excess capacity and reduces infrastructure
- Hawthorne Army Depot is in the Army Portfolio
 - MVI/MVP: 28
- Four others under review
- Industrial JCSG is working a scenario that will enable the Army to close this installation



Close Hawthorne Army Depot (GOCO)

Scenario	Drivers/Assumptions
<p>Justification/Impact</p> <ul style="list-style-type: none"> Preserves and optimizes <u>Storage/distribution</u> capability while minimizing excess capacity Closure eliminates maneuver acreage for future use. HWAD is a 147k acre Installation with 55K acres of maneuver space 	<p>Potential Conflicts</p> <ul style="list-style-type: none"> None identified to date

Scenario

- Close Hawthorne Army Depot. Army disestablishes garrison and realigns or disestablishes non-JCSG functions. Industrial JCSG disestablishes or realigns its assigned functions
- ALT: Realign HWAD divesting of unnecessary facilities and **enclave remaining facilities and land required to support training of operational forces**
- Industrial JCSG scenarios IN-0053 and IN0047-IN0049 enable the closure of this Installation
- MVI/MVP: Hawthorne Army Depot (28)

Drivers/Assumptions

- Transformational Options: Maintain a multi-service distribution and deployment network consolidating on regional joint service nodes
- Considerations: Consider the value of preserving parcels of land in the United States that: consist of 37,000 acres or larger; are currently suitable for mounted ground maneuver training; and unencumbered by major restrictions as capability to accommodate surge, contingency, and future force structure/weapon systems requirements

Justification/Impact

- Preserves and optimizes Storage/distribution capability while minimizing excess capacity
- Closure eliminates maneuver acreage for future use. HWAD is a 147k acre Installation with 55K acres of maneuver space

Potential Conflicts

- None identified to date



Hawthorne Army Depot

COBRA

- | | |
|-------------------------------|-------------|
| 1. One Time Cost: | \$5.1M |
| 2. MILCON: | N/A |
| 3. NPV: | -\$1,082.0M |
| 4. Payback Yrs/Break Even Yr: | 1/2006 |
| 5. Steady State Savings: | -\$74.9M |
| 6. Mil/Civ Reductions: | 74/45 |
| 7. Mil/Civ Relocated: | 0/0 |

Environmental

- Neutral impact if enclaved
- If closed:
 - Positive impacts to Air, Noise, Waste
 - Restoration/cleanup:
 - DERA restoration sites - \$21.1M
 - Munitions Response Prog - \$361.6M
 - 13 operational ranges (est) \$26.9 - \$146.5M

Economic

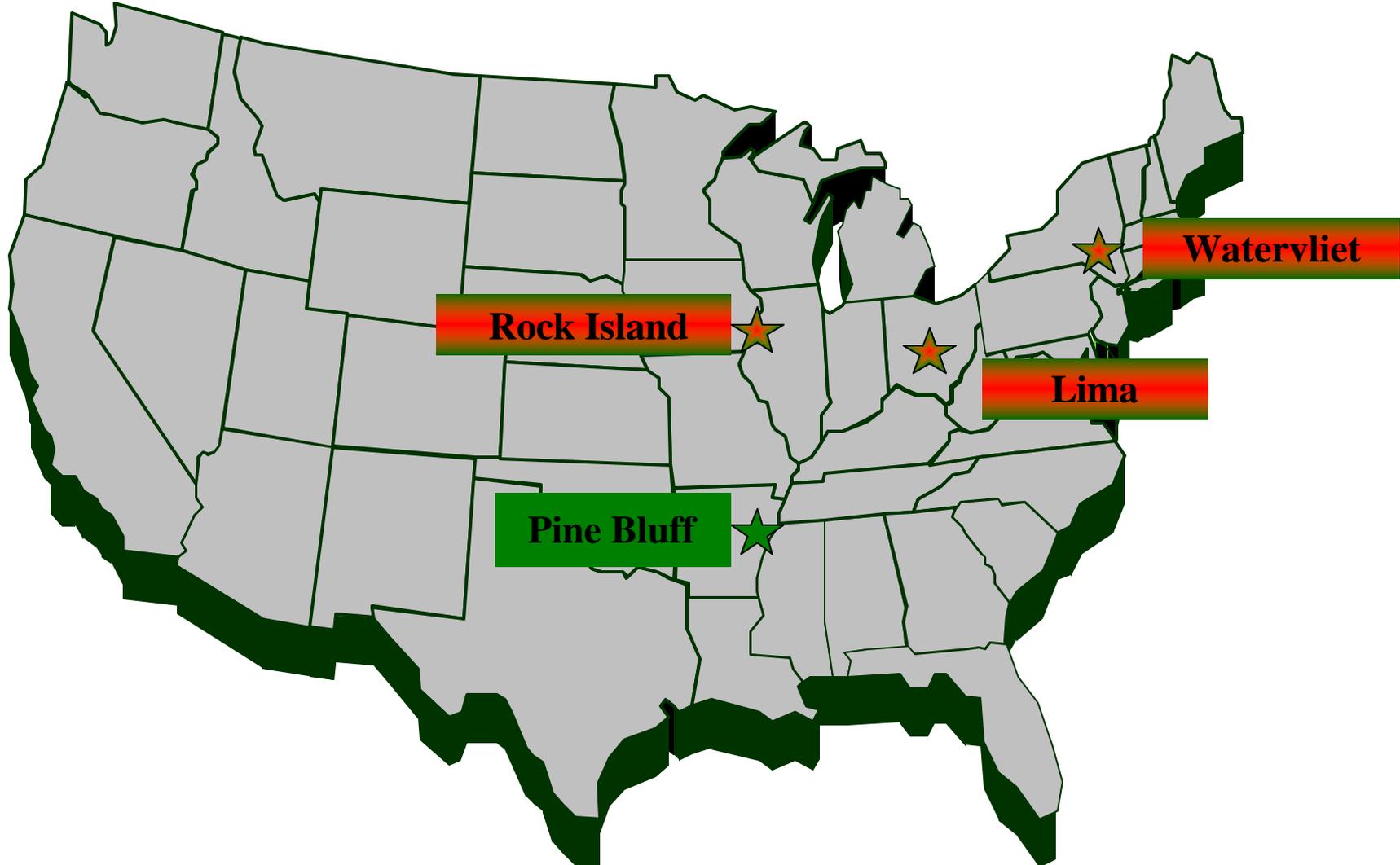
- Direct/Indirect:
- Employment Base:

Community

- 147K acres of land available for re-use



Manufacturing Centers



Transforming Through Base Realignment and Closure



Reasoning

- Reduces excess capacity and retains core Armament capabilities
 - Rock Island Arsenal contains a manufacturing center, with a very low utilization rate
 - Rock Island Arsenal has a large white collar tenant work force (54)
 - The Watervliet facility is too large for its current mission. The local community has a proposal to transfer the facility to a Local Re-use Authority and leaseback required facilities
 - The Industrial JCSG has a scenario to work this proposal
 - Lima Army Tank Plant is severely underutilized but is DOD's only organic combat/tactical vehicle manufacturing facility – FCS role is unclear
 - Rock Island and Watervliet Arsenals are in the Army's Military Value Portfolio – Lima Army Tank Plant is not
 - MVI/MVP: Rock Island Arsenal (53), Watervliet Arsenal (49), Lima Army Tank Plant (78)
- Industrial JCSG is working scenarios that will enable the Army to close these installations



Close Lima Army Tank Plant

Scenario

- Close Lima Tank Plant. Army disestablishes garrison and realigns or disestablishes non JCSG functions. Industrial JCSG disestablishes or realigns it's assigned functions
- ALT: Privatize Lima Army Tank Plant
- Industrial JCSG scenario IN-0050 and IN0052 enable the closure of this Installation
- MVI: Lima Tank Plant (78)

Drivers/Assumptions

- Army BRAC Objective:
 - Retain DOD Installations with the most flexible capability to accept new missions (LATP is a single purpose Installation)

Justification/Impact

- Preserves and optimizes Armaments capability while minimizing excess capacity
- Eliminates DOD's only organic combat/tactical vehicle manufacturing facility
- Must address the current USMC workload
- May limit Army options for FCS production

Potential Conflicts

- None identified to date



Lima Army Tank Plant (GOCO)



<p style="text-align: center;">COBRA</p> <ol style="list-style-type: none"> 1. One Time Cost: \$3.4M 2. MILCON: N/A 3. NPV: -\$385.8M 4. Payback Yrs/Break Even Yr: 1/2006 5. Steady State Savings: - \$26.4M 6. Mil/Civ Reductions: 4/41 7. Mil/Civ Relocated: 0/0 	<p style="text-align: center;">Environmental</p> <ul style="list-style-type: none"> ▪ Positive impact to Air, Noise, Waste ▪ No DERA restoration sites ▪ No known UXO or ranges that require cleanup
<p style="text-align: center;">Economic</p> <ul style="list-style-type: none"> ▪ Direct/Indirect: ▪ Employment Base: 	<p style="text-align: center;">Community</p> <ul style="list-style-type: none"> ▪ Site has significant re-use potential as a manufacturing site or an industrial complex



Close Rock Island Arsenal



Scenario

- Close Rock Island Arsenal. Army disestablishes garrison and realigns or disestablishes non JCSG functions. JCSGs disestablish or realign their assigned functions
- ALT: Transfer ownership of RIA and leaseback only facilities required to support continuing missions. Disestablish the garrison staff
- JCSGs are developing scenarios that will enable the closure or retention of RIA
- Industrial JCSG scenario IN0050 enables the closure of this installation
- MVI: Rock Island Arsenal (53)

Drivers/Assumptions

- Transformational Options:
 - Reshape and integrate critical munitions and armament capability to sustain Joint operational requirements effectively and efficiently
 - Retain DOD Installations with the most flexible capability to accept new missions

Justification/Impact

- Preserve and optimize Armaments capability while minimizing excess capacity
- Large diverse white collar workforce

Potential Conflicts

- None identified to date



Rock Island Arsenal

<p style="text-align: center;">COBRA</p> <ol style="list-style-type: none"> 1. One Time Cost: \$835.3M 2. MILCON: \$656.4M 3. NPV: \$473.1M 4. Payback Yrs/Break Even Yr: 100 + yrs 5. Steady State Savings: -\$65.8M 6. Mil/Civ Reductions: 3/36 7. Mil/Civ Relocated: 251/5262 	<p style="text-align: center;">Environmental</p> <ul style="list-style-type: none"> ▪ Positive impact to Air, Noise, Waste ▪ Restoration/cleanup: <ul style="list-style-type: none"> • DERA restoration sites - \$11.7M • Munitions Response Prog - \$4.8M ▪ Ground & surfacewater contaminated with VOCs, metals, PCBs
<p style="text-align: center;">Economic</p> <ul style="list-style-type: none"> ▪ Direct/Indirect: ▪ Employment Base: 	<p style="text-align: center;">Community</p> <ul style="list-style-type: none"> ▪ Provides a large manufacturing complex and administrative office space to the local community for potential re-use as an industrial park ▪ Historical site



Close Watervliet Arsenal

Scenario	Drivers/Assumptions
<p>Justification/Impact</p> <ul style="list-style-type: none"> ▪ Reduces excess capacity and retains core Armament capability ▪ Local community is interested in a transfer and leaseback of Watervliet Arsenal. The Net Present Value for a potential leaseback is estimated at \$-163M 	<p>Potential Conflicts</p> <ul style="list-style-type: none"> ▪ None identified to date

Scenario

- Close Watervliet Arsenal. Army disestablishes garrison and realigns or disestablishes non JCSG functions. Industrial and technical JCSG disestablish or realign its assigned functions
- Industrial JCSG scenario IND-0052 enables the transfer and leaseback of WVA
- MVI: (49)

Drivers/Assumptions

- Transformational Options:
 - Reshape and integrate critical munitions and armament capability to sustain Joint operational requirements effectively and efficiently
 - Retain DOD Installations with the most flexible capability to accept new missions

Justification/Impact

- Reduces excess capacity and retains core Armament capability
- Local community is interested in a transfer and leaseback of Watervliet Arsenal. The Net Present Value for a potential leaseback is estimated at \$-163M

Potential Conflicts

- None identified to date



Watervliet Arsenal

COBRA

- | | |
|-------------------------------|----------|
| 1. One Time Cost: | \$125.8M |
| 2. MILCON: | \$90.0M |
| 3. NPV: | -\$68.8M |
| 4. Payback Yrs/Break Even Yr: | 10/2018 |
| 5. Steady State Savings: | -\$18.4M |
| 6. Mil/Civ Reductions: | 0/8 |
| 7. Mil/Civ Relocated: | 20/802 |

Environmental

- Neutral impact if enclaved
- If closed:
 - Positive impact to Air, Noise, Waste
 - Restoration/cleanup:
 - DERA restoration sites - \$4.9M
 - No known UXO or operational ranges require cleanup
 - Groundwater contaminated with Volatile Organic Compounds

Economic

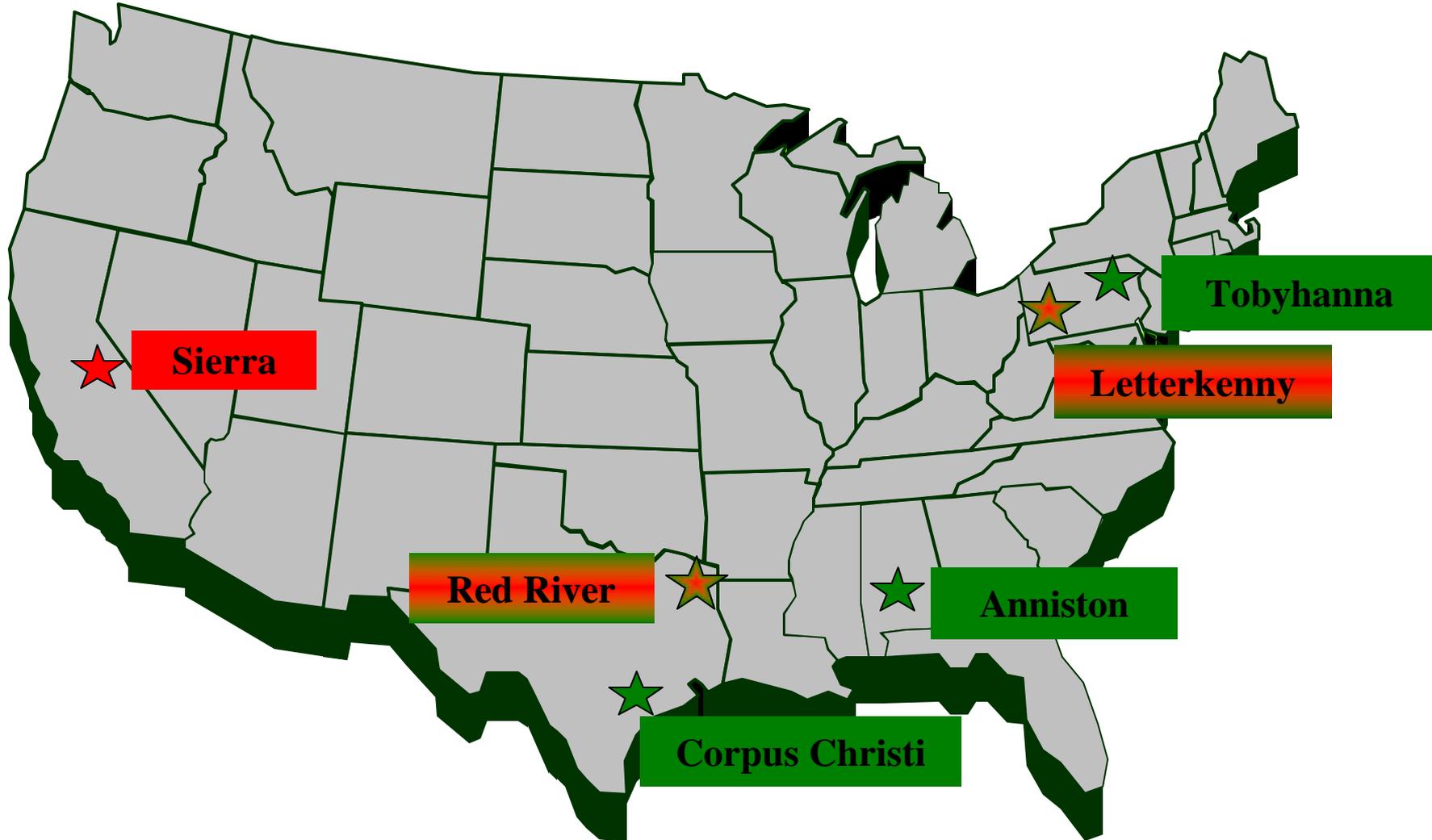
- Direct/Indirect:
- Employment Base:

Community

- Provides the local re-use authority the capability to continue the local partnership creating a high-tech industrial park



Maintenance Depots



Transforming Through Base Realignment and Closure



Reasoning

- Preserve and optimize Maintenance Depot capabilities while minimizing excess capacity
- Sierra Army Depot has limited maintenance capability – primarily storage
- Either Letterkenny or Red River Depots can be closed and the Army's maintenance mission can still be accomplished
- These installations are in the Army Portfolio
 - Red River (38), Letterkenny (37), Sierra (42)
- Industrial JCSG is working scenarios that will enable the Army to close these installations



Close Sierra Army Depot

Scenario	Drivers/Assumptions
<p>Justification/Impact</p> <ul style="list-style-type: none"> ■ Preserve and optimize <u>Storage/distribution</u> capability while minimizing excess capacity ■ Preserve and optimize Maintenance Depot capability while minimizing excess capacity ■ SIAD is a 37k acre Installation with 8K acres of maneuver space – SOF training is ongoing ■ Closure eliminates maneuver acreage for future use 	<p>Potential Conflicts</p> <ul style="list-style-type: none"> ■ None identified to date

- Close Sierra Army Depot. Army disestablishes garrison and realigns or disestablishes non JCSG functions. Industrial and S & S JCSGs disestablish or realign functions
- ALT: Realign SIAD divesting of unnecessary facilities and **enclave remaining facilities and land required to support operational forces**
- Industrial and Supply & Storage JCSG are proposing scenarios that enables the closure of SIAD
- MVI: Sierra Army Depot (42)

- Drivers/Assumptions**
- Transformational Options:
 - Maintain a multi-service distribution and deployment network consolidating on regional nodes (31)
 - Consolidate similar commodities under centers of Technical Excellence (28)



Sierra Army Depot

<p style="text-align: center;">COBRA</p> <ol style="list-style-type: none"> 1. One Time Cost: \$27.9M 2. MILCON: N/A 3. NPV: -\$965.5M 4. Payback Yrs/Break Even Yr: 2/2007 5. Steady State Savings: -\$72.2M 6. Mil/Civ Reductions: 2/514 7. Mil/Civ Relocated: 1/5 	<p style="text-align: center;">Environmental</p> <ul style="list-style-type: none"> ▪ Neutral impact if enclaved ▪ If closed: <ul style="list-style-type: none"> ▪ Positive impact to Air, Noise, Waste ▪ Restoration/cleanup: <ul style="list-style-type: none"> – DERA restoration sites - \$5.7M – 6 operational ranges – (est) \$9.8M - \$37.4M
<p style="text-align: center;">Economic</p> <ul style="list-style-type: none"> ▪ Direct/Indirect: ▪ Employment Base: 	<p style="text-align: center;">Community</p> <ul style="list-style-type: none"> ▪ In excess of 37,000 acres of land available for re-use



Close Letterkenny Army Depot



<h2 style="text-align: center;">Scenario</h2>	<h2 style="text-align: center;">Drivers/Assumptions</h2>
<ul style="list-style-type: none"> ▪ Close Letterkenny Army Depot. Army disestablishes garrison and realigns or disestablishes non JCSG functions. Industrial JCSG disestablishes or realigns functions ▪ Alternate: Close Red River Army Depot ▪ Industrial JCSG Scenarios IN0001 and 0008 enable the closure of either RRAD or LEAD ▪ MVI: Letterkenny (37), Red River (38) 	<ul style="list-style-type: none"> ▪ Transformational Options: <ul style="list-style-type: none"> • Maintain a multi-service distribution and deployment network consolidating on regional nodes (31) • Consolidate similar commodities under centers of Technical Excellence (28)
<h2 style="text-align: center;">Justification/Impact</h2>	<h2 style="text-align: center;">Potential Conflicts</h2>
<ul style="list-style-type: none"> ▪ Preserve and optimize Maintenance Depot capability while minimizing excess capacity ▪ Consolidates common commodity workloads, which creates a more efficient and effective life cycle management process 	<ul style="list-style-type: none"> ▪ None identified to date



Letterkenny Army Depot

<p style="text-align: center;">COBRA</p> <ol style="list-style-type: none"> 1. One Time Cost: \$273.1M 2. MILCON: \$201.8M 3. NPV: -\$159.8M 4. Payback Yrs/Break Even Yr: 9/2017 5. Steady State Savings: -\$39.5M 6. Mil/Civ Reductions: 0/8 7. Mil/Civ Relocated: 2/1398 	<p style="text-align: center;">Environmental</p> <ul style="list-style-type: none"> ▪ Positive impact to Air, Noise, Waste ▪ Restoration/cleanup: <ul style="list-style-type: none"> • DERA restoration sites - \$2.2M • 1 operational range – (est) \$1.1M - \$2.3M ▪ Ground / surface water contaminated with VOCs, metals, explosives, PCBs
<p style="text-align: center;">Economic</p> <ul style="list-style-type: none"> ▪ Direct/Indirect: ▪ Employment Base: 	<p style="text-align: center;">Community</p> <ul style="list-style-type: none"> ▪ 17,773 acres of land available for re-use and continued development as an industrial park



Close Red River Army Depot

Scenario

- Close Red River Army Depot. Army disestablishes garrison and realigns or disestablishes non JCSG functions. Industrial JCSG disestablishes or realigns functions
- Alternate: Close Letterkenny Army Depot
- Industrial JCSG Scenarios IN0001 and 0008 enable the closure of either RRAD or LEAD
- MVI: Letterkenny (37), Red River (38)

Drivers/Assumptions

- Transformational Options:
 - Maintain a multi-service distribution and deployment network consolidating on regional nodes (31)
 - Consolidate similar commodities under centers of Technical Excellence (28)

Justification/Impact

- Preserve and optimize Maintenance Depot capability while minimizing excess capacity
- Consolidates common commodity workloads, which creates a more efficient and effective life cycle management process
- Supply and Storage JCSG has a scenario that would create a DLA strategic distribution platform at Red River
- Enclave the rubber plant

Potential Conflicts

- None identified to date



Red River Army Depot

COBRA

- | | |
|-------------------------------|----------|
| 1. One Time Cost: | \$750.4M |
| 2. MILCON: | \$651.3M |
| 3. NPV: | \$228.2M |
| 4. Payback Yrs/Break Even Yr: | 41/2049 |
| 5. Steady State Savings: | -\$51.9M |
| 6. Mil/Civ Reductions: | 0 / 7 |
| 7. Mil/Civ Relocated: | 9/2484 |

Environmental

- Positive impact to Air, Noise, Waste
- Restoration/cleanup:
 - DERA restoration sites - \$22.3M
 - Munitions Response prog - \$26.8M
 - 8 operational ranges – (est) \$5.6M - \$12.1M
- Groundwater contaminated with VOCs, metals

Economic

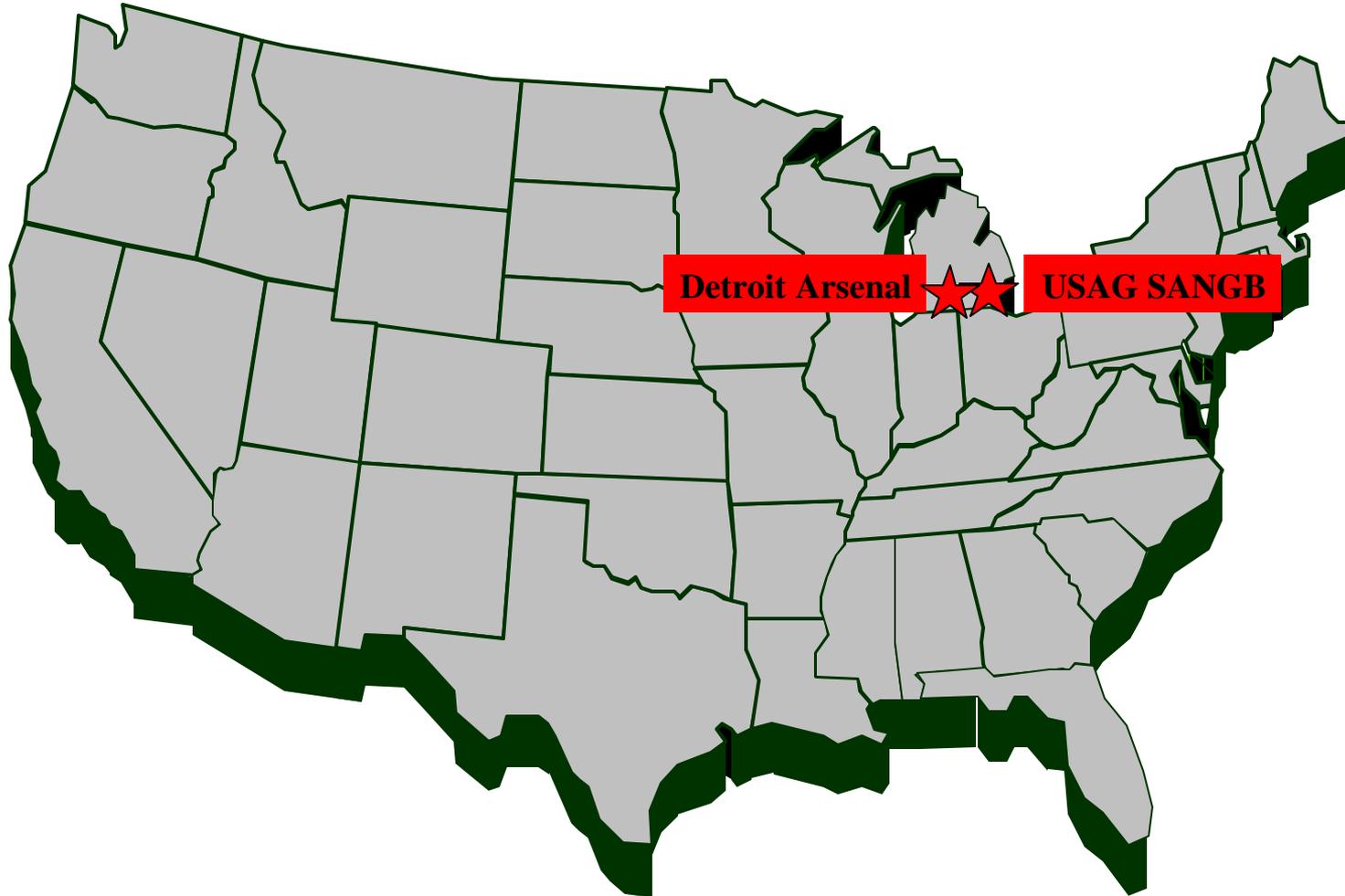
- Direct/Indirect:
- Employment Base:

Community

- 18,000 acres of land available for re-use



Acquisition Logistics and Technology Installations





Reasoning

- Detroit Arsenal and United States Army Garrison Selfridge Air National Guard Base are not in the Army Portfolio
 - MVI: Detroit Arsenal (75), USAG SANGB (80); not in MV Portfolio
- USAG SANGB provides support functions (Housing, MWR, etc.) to personnel stationed at Detroit Arsenal





Detroit Arsenal

<p style="text-align: center;">COBRA</p> <ol style="list-style-type: none"> 1. One Time Cost: \$661.3M 2. MILCON: \$518.7M 3. NPV: -\$50.3M 4. Payback Yrs/ Break Even Yr: 16/2024 5. Steady State Savings: -\$75.8M 6. Mil/Civ Reductions: 0/153 7. Mil/Civ Relocated: 126/3221 	<p style="text-align: center;">Environmental</p> <ul style="list-style-type: none"> ▪ Positive impact to Air, Noise, Waste ▪ No DERA restoration sites ▪ No known UXO or ranges that require cleanup
<p style="text-align: center;">Economic</p> <ul style="list-style-type: none"> ▪ Direct/Indirect: ▪ Employment Base: 	<p style="text-align: center;">Community</p> <ul style="list-style-type: none"> ▪ Provides the local community a major facility in a metropolitan area that can be used as an industrial park and/or a research center





USAG SANGB

<p style="text-align: center;">COBRA</p> <ol style="list-style-type: none"> 1. One Time Cost: \$12.2M 2. MILCON: \$3.7M 3. NPV: -\$367.2M 4. Payback Yrs/Break Even Yr: 1/2006 5. Steady State Savings: -\$26.4\$M 6. Mil/Civ Reductions: 12/154 7. Mil/Civ Relocated: 124/20 	<p style="text-align: center;">Environmental</p> <ul style="list-style-type: none"> ▪ Positive impact to Air, Noise, Waste ▪ No active DERA restoration sites ▪ No known UXO or ranges that require cleanup
<p style="text-align: center;">Economic</p> <ul style="list-style-type: none"> ▪ Direct/Indirect: ▪ Employment Base: 	<p style="text-align: center;">Community</p> <ul style="list-style-type: none"> ▪ 623 acres of prime property for re-use or expansion by the ANG



Supply and Storage JCSG Update



Supply & Storage Scenarios



Create Regional Strategic Distribution Platforms

- S&S-0003 Regionalization of Strategic Distribution (5 regions)
 - Losing activities DLA Depot Anniston, Corpus Christi, and Tobyhanna
 - Red River becomes southeast center hub
- S&S-0004 Regionalization of Strategic Distribution (4 regions)
 - Losing activities DLA Depot Anniston, Corpus Christi, and Tobyhanna
 - Red River becomes southeast center hub
- S&S-0012 Regionalization of Strategic Distribution (3 regions)
 - Losing activities DLA Depot Anniston, Corpus Christi, Red River and Tobyhanna
- S&S-0025 Regionalization of Strategic Distribution (3 regions)
 - Losing activities DLA Depot Anniston, Corpus Christi, and Tobyhanna
 - Red River becomes southeast center hub



Supply & Storage Scenarios



Consolidate Base Level Supply Functions

- S&S-0013 Eliminate Base Level Supply Functions in Hampton Roads Area
 - Losing installations Forts Monroe, Eustis, and Story
- S&S-0014 Eliminate Base Level Supply Functions in Puget Sound WA area
 - Losing installation Fort Lewis
- S&S-0015 Consolidate Base Level Supply Functions in Hampton Roads area
 - Losing installations Forts Monroe, Eustis, and Story
- S&S-0016 Consolidate Base Level Supply Functions in Puget Sound WA area
 - Losing installation Fort Lewis



Supply & Storage Scenarios



Establish a single Inventory Control Point (ICP) within each service or consolidate into Joint ICP

- S&S -0008 Consolidate Army ICPs in a single location (Redstone Arsenal)
 - Losing installations – Detroit Arsenal (TACOM), Fort Monmouth (CECOM), Rock Island Arsenal (TACOM), and Soldier Systems Command (TACOM)
- S&S -0009 Transfer service ICPs to DLA and consolidate
 - Losing installations – Detroit Arsenal (TACOM), Fort Monmouth (CECOM), Rock Island Arsenal (TACOM), Soldier Systems Command (TACOM), and Redstone Arsenal (AMCOM)



Supply & Storage Scenarios



Privatize Wholesale Storage and Distribution

- S&S-0020 Privatize Wholesale Distribution
 - Losing activities DLA Depot Anniston, Corpus Christi, Red River, and Tobyhanna
- S&S-0021 Privatize Wholesale Storage and Distribution
 - Losing activities DLA Depot Anniston, Corpus Christi, Red River, and Tobyhanna
- S&S-0022, 0023, and 0024 Privatize Storage and Distribution on Specific Commodities (Tires, Packaged POL, and Compressed Gases)
 - Losing activities DLA Depot Anniston, Corpus Christi, Red River, and Tobyhanna



Industrial JCSG Update



Industrial JCSG

Depots

- IND-0001 Consolidate Ground workload from 7 location to 2-3, Rotary workload to 1 location, and Components-Commodities (electronics)
 - Losing installations Blue Grass, Pine Bluff, Red River, Rock Island and Toole
 - Gaining installations Anniston, Letterkenny, Tobyhanna, and Corpus Christi
- IND-0008 Consolidate Ground workload from 7 location to 2-3, Rotary workload to 1 location, and Components-Commodities (electronics)
 - Losing installations Blue Grass, Pine Bluff, Rock Island and Toole
 - Gaining installations Anniston, Letterkenny, Red River, Tobyhanna, and Corpus Christi



Industrial JCSG

Munitions

- IND-0039 – IND-0049, IND-0051 and IND-0053 examine ammunition production (artillery, bombs, pyrotechnics and demolition, energetics, mines, missiles, mortars, rockets, and tank), demilitarization, maintenance, and storage



Industrial JCSG



Armaments

- IND-0050 Retain Pine Bluff Arsenal and disestablish Rock Island Arsenal, Lima Army Tank Plant, and Watervliet Arsenal
- IND-0052 Retain Rock Island Arsenal and disestablish Lima and Watervliet Arsenal and Leaseback Watervliet Arsenal



Proposal Roll Up



Cost Roll-up

	1 Time Cost (\$B)	NPV (\$B)	NPV Less Mil Pay (\$B)	Steady State Savings (\$B)	Steady State Savings Less Mil Pay (\$B)	Military Reductions			Closures
						AC	RC	CIV	
RC PAT	\$2.64	-\$1.39	\$1.56	\$0.30	\$0.75	143	16669	44	1
MAT & LOG	\$1.72	-\$5.40	-\$4.61	-\$0.63	-\$0.56	38	744	1677	12
TOTAL	\$4.37	-\$6.78	-\$3.05	-\$0.33	\$0.19	181	17413	1721	13

Negative Numbers = Savings



Today

- Focus on Materiel & Logistics with assistance from Industrial JCSG and Supply and Storage JCSG
- Industrial base – efficiencies through transformation
 - Close 5 Army Ammunition Plants and 4 Chemical Demilitarization Sites – all outside MV portfolio
 - Close 1 Munitions Center; 4 others pending
 - Prepare for decisions concerning 3 Army Manufacturing Centers
 - Close 1 Army Depot; 2 others pending
 - Close 1 or 2 Acquisitions, Logistics and Technology sites pending JCSG actions

Bottom Line: One-Time Cost: \$1.7B, NPV: -\$5.4B, Steady State Savings: -\$0.63B, including potential closure of 12 of 37 installations not in MV portfolio (13 of 37 with RC closures)



Recommendations

- Carry primary proposals forward
 - Except per SRG guidance
- Provide guidance to JCSG Reps



Way Ahead



Date	Topic
TBD Nov	TABS Institutional Army Proposals
23 Nov	TABS Operational Army Proposals
30 Nov	Integration of TABS Proposals
Dec	TABS Proposal Integration, Final Approval for EOH, submit to OSD
Jan	Integration of Army Candidate Recommendations with JCSG Efforts



BACKUP



Army Portfolio

Rank	Installation	Rank	Installation	Rank	Installation	Rank	Installation
1	Ft Bliss	16	Ft Polk	31	Ft Rucker	49	Ft Monmouth
2	Ft Lewis	17	Ft Irwin	32	Crane AD	50	Ft Meade
3	Ft Hood	18	Aberdeen PG	33	Ft Eustis	53	Rock Island Arsenal
4	Ft Stewart / HAAF	19	Ft Sill	34	Ft Lee	54	MOT Sunny Point
5	Ft Bragg	20	Schofield Barracks	35	Ft Leonard Wood	56	Ft Detrick
6	Yuma PG	21	Ft Huachuca	36	Ft Gordon	59	Milan AAP
7	Dugway PG	22	Ft AP Hill	37	Tobyhanna AD	61	West Point
8	Ft Carson	23	Ft Dix	38	Letterkenny AD	62	Pine Buff Arsenal
9	Ft Benning	24	Anniston AD	39	Ft Belvoir	64	Ft Mc Nair
10	White Sands MR	25	Ft Mc Coy	40	Red River AD	66	Ft Myer
11	Ft Wainwright	26	Ft Jackson	41	Tooele AD	70	Lake City AAP
12	Ft Knox	27	McAlester AAP	42	Sierra AD	77	Corpus Christi ADA
13	Ft Riley	28	Ft Richardson	43	Ft Sam Houston	79	Scranton AAP
14	Ft Campbell	29	Redstone Arsenal	44	Bluegrass AD	81	Radford AAP
15	Ft Drum	30	Hawthorne AD	46	Walter Reed AMC	84	Holston AAP
				48	Watervliet Arsenal	88	Tripler AMC

Forced into Portfolio due to unique requirements

Transforming Through Base Realignment and Closure



Starting Point for Analysis



Rank	Installation	Rank	Installation	Rank	Installation
45	Deseret Chem Plant	71	Iowa AAP	87	Lease - HQ, ATEC
47	Picatinny Arsenal	72	Lone Star AAP	89	Lease - Rosslyn Complex
51	Ft McPherson	73	Adelphi Labs	90	Riverbank AAP
52	Ft Gillem	74	Ft Hamilton	91	Lease - Bailey's Crossroads
55	Pueblo Chem Depot	75	Detroit Arsenal	92	Lease - Army Research Office
57	Soldier Support Center	76	Carlisle	93	Lease - Crystal City Complex
58	Charles Kelley Support	78	Lima Tank Plant	94	Lease - Hoffman complex
60	Mississippi AAP	80	USAG Selfridge	95	Lease - ARPERCEN
63	Ft Leavenworth	82	Ft Shafter	96	Lease - PEO STRICOM
65	Newport Chem Depot	83	Ft Buchanan	97	Lease - Army JAG Agency
67	Ft Monroe	85	Presidio Of Monterey	98	Lease - Ballston Complex
68	Kansas AAP	86	Umatilla Chem Depot	99	Lease - Army JAG School
69	Louisiana AAP				

16 November 2004
BRAC 2005 SRG # 19
SECRETARY OF THE ARMY CONF ROOM, 3D572

PURPOSE:

- To provide updates
- To present:
 - Review of Presidential Commission Responsibilities and timeline ,
 - Methodology used to track actual costs and savings
 - TABS Materiel and Logistics Proposals
- To present the BRAC 05 SRG meetings schedule

ACTIONS:

Dr. College opened the meeting by welcoming the group and immediately began the briefing. He reviewed the timeline, noting that the SRG will have to make up one missed meeting in order to remain on schedule and to meet all deadlines. VCSA acknowledged this and directed to DAS to find an appropriate time.

He also noted that the Army should prepare to bring the new SECARMY up to speed regarding BRAC.

Dr. College briefed the construct and responsibilities of the Presidential BRAC Commission, and recommended that the Army assist OSD in identifying appropriate candidates for nomination to the Commission; SRG agreed and Mr. Prosch will handle this action. Input for nominations are due to the SECDEF by 19 November.

Dr. College discussed the tracking of actual costs and savings in response to an earlier question from ASA (ALT). He noted that ACSIM is responding to concerns noted in the GAO Report of past BRACs, to include adjusting the baseline when transfer decisions affect actual costs and savings.

VCSA noted that current accounting procedures do not enable DoD to fully address savings. ASA (FM) noted that one lingering difficulty is establishing a property value for Army land, because we don't routinely appraise our real estate.

Dr. College then briefed TABS Materiel and Logistics scenarios.

16 NOV 04
Page 2 of 3
BRAC 2005 SRG # 19
(CONTD)

VCSA asked how he and the SECARMY will know when a JCSG is working a scenario in conflict with Army priorities. Dr. College noted that as JCSG proposals come on line, they will be briefed to the Senior Review Group. TABS will assemble announced proposals and ensure that the SRG is aware of those affecting Army.

While briefing scenarios involving Army Ammunition Plants, ACSIM asked if remediation costs are captured in COBRA. Dr. College replied no – those costs exist independent of any BRAC actions; thus they are not a part of BRAC costs.

ACSIM also asked if BOS and SRM reflect actual expenditures or requirements. Dr. College replied that he would present information on the derivation of BOS and SRM used in COBRA during a future SRG.

DAS noted that we needed better fidelity on steady state savings. Dr. College agreed to bring the analytical methodology back to the group for review.

When discussing Chemical Demil Sites, Dr. College clarified that cleanup costs will be high and that the assumption is that the mission will end once demil mission is complete; there will be no function to transfer.

When discussing Munitions Centers, VCSA noted that TABS needs to factor in the effect of IGPBS on storage requirements. In general discussion, the SRG highlighted the need to ensure sufficient storage capacity for current storage requirements, surge and IGPBS plus the wild card of closure of the Korean Peninsula.

While discussing Manufacturing Centers, VCSA indicated that TABS needs to consider a classified mission affecting Lima Depot as part of the recommendation process. Dr. College will get the necessary information from G3/G8 and add it to his analysis. Mr. Motsek noted that if the Army needs to keep Lima Depot, he needs to know ASAP so he can influence the JCSG analysis. Dr. College indicated that he would clarify the staff position on Lima within the Army and present findings at a future SRG.

In final guidance, VCSA directed that TABS: Perform additional analysis on proposals affecting Letterkenny, Red River Depots, and the Lima Army Tank Plant. He is concerned that Army reset requirements now and in the future may require the capacity represented in these installations.

16 NOV 04
Page 3 of 3
BRAC 2005 SRG # 19
(CONTD)

Dr. College then reviewed the Way Ahead, discussing the timeline for ISG and SRGs and noting that we will be discussing the Institutional Army proposals at the next SRG.

SECRETARY, DR Craig College
RECORDER, MS Stephanie Hoehne